

**APPROVE THE PRE-QUALIFICATION STATUS OF PROFESSIONAL AUDIT MANAGEMENT
AND ACCOUNTING FIRMS TO PROVIDE FINANCIAL CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the pre-qualification status of sixteen (16) professional audit management and accounting firms to provide financial consulting services to Departments and Schools at a cost for the contract term not to exceed \$10,000,000 in the aggregate. The Office of School Financial Services and its School Business Services Program will administratively support the consulting services for all departments and schools. These consultants were selected pursuant to a duly advertised Request for Proposals. A written master agreement for each consultant is currently being negotiated. No payment shall be made to any consultant prior to the execution of such Consultant's Master Agreement. The authority granted herein shall automatically rescind as to each consultant in the event a written agreement is not executed within 90 days of the date of this Board Report.

Information pertinent to this Master Agreement is stated below.

Specifications Number: 01-250302

CONSULTANTS:

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| <p>1. Advance Data Concepts, LLC
819 South Wabash Avenue, Suite 600
Chicago, IL 60605-2184
Contact person: Robert W. Runcie
(312) 786-0220 Fax # (312) 786-0323
Vendor #23728</p> | <p>2. American Express Tax & Business Services Inc.
One South Wacker Drive, Suite 800
Chicago, IL 60606
Contact person: Larry Shaedel
312/634-4729 Fax # (312) 634-3410
Vendor #23696</p> |
| <p>3. The Bronner Group, Inc.
120 N. LaSalle Street, Suite 1300
Chicago, IL 60602
Contact person: Gila Bronner
312/759-5101 Fax # 312/759-5110
Vendor #29738</p> | <p>4. Crowe, Chizek and Company LLP
Three First National Plaza
70 West Madison Street, Suite 700
Chicago, IL 60602-4205
Contact person: Cynthia A. Pierce
312/899-7019 Fax 219/756-4056
Vendor #29378</p> |
| <p>5. FPT&W, Ltd
400 N. Michigan Ave. Suite 1610
Chicago, IL 60611
Contact person: John B. Filan
312/321-1040 Fax # 312/321-0481
Vendor #25651</p> | <p>6. Gerardo G. Liwanag & Associates
236 Waukegan Road
Glenview, IL 60025
Contact person: Gerardo Liwanag
847/724-4331 Fax (847) 724-4418
Vendor #34148</p> |
| <p>7. Goodall, Kenner & Associates, P.C.
800 E. 78th Street
Chicago, IL 60619
Contact person: William Goodall
(312) 873-1010 Fax #
Vendor #27052</p> | <p>8. Jefferson Wells International
30 North LaSalle Street, Suite 2720
Chicago, IL 60602
Contact persons: Monte F. Weirman
Jim Jorgensen
(312) 980-4900 Fax # (312) 980-4150
Vendor #10639</p> |

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| <p>9. Jerald Knox and Company
1326 E. 164th Street
South Holland, IL 60473
Contact person: Jerald Knox
(708) 210-9124 & Fax
Vendor #93290</p> <p>11. Mc Glandry & Pullen, LLP
Hickory Creek Office Center, Suite 300
19001 Old LaGrange Road
Mokena, Illinois 60448-8351
Contact persons: James F. Tapscott
M. Cynthia Sah
708/479-3300 Fax # 708/479-0130
Vendor #29778</p> <p>13. Mirza Baig & Company
333 N. Michigan Ave., Suite 2032
Chicago, IL 60601
Contact person: Mirza S. Baig
(312) 236-2077 Fax #312/726-9520
Vendor #26913</p> <p>15. Velma Butler & Company
200 S. Michigan, Suite 500
Chicago, IL 60604
Contact person: Velma Butler
(312) 922-1272 Fax #312/922-8210
Vendor #29639</p> | <p>10. KPMG Corporate Finance LLC
KPMG LLP
303 E. Wacker Drive
Chicago, 60601
Contact person: Bridget Anderson
(312) 665-1000 Fax # 312/665-6017
Vendor #23326</p> <p>12. Prado & Renteria CPAs, Prof. Corp.
1837 So. Michigan Ave.
Chicago, IL 60616
Contact person: Maria De J. Prado
312/567-1330 Fax #312/567-1360
Vendor #26818</p> <p>14. Odell Hicks & Company
180 N. Stetson, Suite 820
Chicago, IL 60601
Contact person: Odell Hicks, Jr.
312/861-0113 Fax #312/861-1301
Vendor #23326</p> <p>16. Washington, Pittman & McKeever, LLC
819 South Wabash Avenue, Suite 600
Chicago, IL 60605-2153
Contact persons: Lester H. McKeever, Jr.
(312) 786-0330
Fax (312) 786-0323</p> |
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USER GROUP: Departments or Schools

Supported by
School Financial Services and Business Services
125 S. Clark Street
Chicago, IL 60603
Contact person: Fonzie Richmond
773/553-5943

TERMS: The terms of this pre-qualification period and each master agreement shall commence April 1, 2002 and end March 31, 2003, with the Board having two options to extend the pre-qualification status and the master agreement for periods of one year each.

USE OF POOL: Schools, regions and central office units are authorized to receive services from the pre-qualified pool through an informal proposal process, obtaining at least three quotes for services from the pre-qualified pool, with payment by Purchase Orders. Central Office staff will provide technical assistance in securing these services and a notice to proceed letter for all services will be issued by the Director of School Business Services Support. This notice to proceed shall include a detailed scope of services and the dollar amount for such services. No notice to proceed shall exceed \$500,000.00 with a maximum of \$1,000,000.00 to any consultant during this one-year period.

SERVICES: Each consultant shall provide those types of services identified in their agreement, including services such as financial consulting, auditing, accounting and one-on-one training.

OUTCOMES: Consultant's services shall result in bringing school internal accounts up to date, converting schools from manual to automated book keeping using MYOB software, assisting with budget preparation and monitoring and providing one-on-one training and assistance where needed in fiscal areas.

COMPENSATION: Consultants shall be paid on an hourly rate basis depending on types of services being rendered, not to exceed \$500,000 for each assignment. The maximum compensation payable to any one consultant shall not exceed \$1,000,000. Total compensation payable for all consultants shall not exceed \$10,000,000.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written master agreement. Authorize the President and Secretary to execute the master agreement.

AFFIRMATIVE ACTION: Vendor agrees to comply with and be bound by the provisions of the Revised Remedial Plan for Minority and Women Business Enterprise Economic Participation (M/WBE Plan).

LSC REVIEW: Local School Council approval will be obtained by any school utilizing these consultants, as necessary.

FINANCIAL: All users will pay for the services from their approved budget.

GENERAL CONDITIONS REGARDING PRE-QUALIFIED VENDOR PROGRAMS:

All pre-qualified vendors shall be required to enter into the Board's standard master agreement, which master agreement shall specifically identify the services to be provided by each vendor and shall include other basic contractual terms and conditions as deemed appropriate by the General Counsel.

The Chief Purchasing Officer shall develop, within six (6) months of the establishment of the pre-qualified program, a qualitative evaluation process which will rate each vendor's performance under the program and allow for a vendor's compensation limit to be increased or decreased, as the case may be, or provide grounds for revoking a vendor's pre-qualification status.

The Chief Purchasing Officer shall monitor all purchase orders, or such other documents as required, for User Groups to utilize the pre-qualified vendors to ensure that the program remains within its budgetary limitations.

User Groups may only utilize pre-qualified vendor for those services for which such vendor has been pre-qualified and are identified in such vendor's master agreement. The Chief Purchasing Officer shall prepare a directory or other such type of listing to be distributed to all User Groups which specifies the types of services for which each vendor has been pre-qualified.

Pursuant to Board Rule 5-10.2, the Chief Purchasing Officer shall submit a quarterly Board Report which reports expenditures made during the previous quarter to pre-qualified vendors including an accounting and reconciliation of such expenditures to individual vendors against the total expenditure authorized for the applicable pre-qualified pool of vendors.

The Chief Purchasing Officer shall impose financial limits on the use of pre-qualified vendors, including limits on the amount each User Group may purchase from a vendor under the pre-qualified program and the total amount of compensation paid to any one vendor during the term of the pre-qualification program. Financial limitations shall be imposed based upon the following categories of services: (i) For those services which are substantial in nature, re-occurring or of a type from past experience which will involve a high threshold of expenditures, the Chief Purchasing Officer may impose financial limitations as deemed necessary; and (ii) For those services which are routine in nature and will not involve a high threshold of expenditures, the Chief Purchasing Officer shall impose financial limits per User Group and per vendor. Any request to exceed any imposed financial limitations shall require additional Board approval.

The Chief Purchasing Officer shall develop guidelines regarding the imposition of financial limitations on newly pre-qualified vendors or previous vendors of the Board who are now being pre-qualified to perform new or different services, with a corresponding periodic evaluation of such vendor's performance to allow for an increase in such vendor's financial limitation due to satisfactory performance ratings.


GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

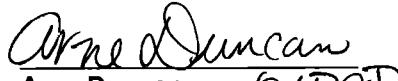
Ethics – The Board’s Ethics Code adopted September 27, 1995 (95-0927-RU3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:


Anita Rocha
Acting Chief Purchasing Officer

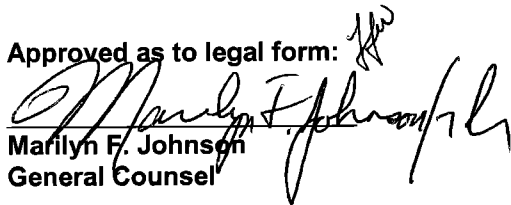
Approved:


Arne Duncan (MPAD)
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:


Marilyn F. Johnson
General Counsel